

2022

Tax Credit Accountability Report **Annual Status Report of Economic Development Programs**



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INTRODUCTION

In 2004, the legislature passed the “Tax Credit Accountability Act.” The statute, section 620.017.4 RSMo, requires that the Department of Economic Development (DED) prepare an annual report regarding all economic incentives administered in the previous calendar year and submit the report to the Governor, President Pro Tem of the Senate, and the Speaker of the House of Representatives.

The annual report must include the following information:

1. The distribution of economic incentives by type and public purpose. In the statute, section 135.800 RSMo, all tax credits are grouped into a category, or type, based on their public purpose. This section of the report reflects the distribution of incentives by those categories, which are as follows:
 - Agricultural
 - Environmental
 - Entrepreneurial
 - Domestic and Social
 - Housing
 - Redevelopment
 - Training and Education
 - Business Recruitment
 - Community Development

2. The total amount of economic incentives awarded by industry. All incentives issued to organizations or businesses are broken down by North American Industry Classification System (NAICS) Codes.
3. The distribution of economic incentives by the size of all business recipients. All incentives issued to businesses only are broken down by business size categories of less than 100 employees, 100-500 employees, and greater than 500 employees.
4. A summary of jobs created, as reported annually.
5. A reporting of any legal action taken by DED or the State with any parties which have failed to comply with a contract or agreement pursuant to this section.

All economic incentives are reported by the amount that has been issued to the taxpayer in the calendar year. Issuance of a tax credit indicates that DED has determined it meets eligibility criteria and has proof that the organization or company has met the program requirements. Tax credits are issued using a certificate which may be attached to a State tax filing for redemption through the Department of Revenue.

The information is collected through the application and review process. Section 135.802 RSMo requires that all applications include:

1. Name, address, contact and phone number for the applicant.
2. Taxpayer type, such as individual, corporation, nonprofit or other.
3. Standard industry code. (Note: The NAICS system has replaced the Standard Industry Code system for identifying industries at the federal level.)
4. Program name and type of any other tax credits (State or federal) that are being utilized for the same activity or project.

DED INCENTIVES BY TYPE AND PROGRAM*

January 1, 2021 to December 31, 2021

Type and Program	Total Amount Issued in CY 2021
AGRICULTURAL	
Wine and Grape Production Tax Credit Program*	\$-
Missouri Rural Economic Stimulus Act**	\$-
TOTAL AGRICULTURAL	\$-
ENVIRONMENTAL	
Total Environmental	\$-
ENTREPRENEURIAL	
Small Business Incubator Tax Credit Program	\$-
TOTAL ENTREPRENEURIAL	\$-
DOMESTIC AND SOCIAL	
Youth Opportunities Program Tax Credit Program	\$1,878,690.00
TOTAL DOMESTIC AND SOCIAL	\$1,878,690.00
HOUSING*	
Neighborhood Preservation Act Tax Credit Program	\$3,974,257.71
TOTAL HOUSING	\$3,974,257.71
REDEVELOPMENT	
Brownfield Remediation Tax Credit Program	\$5,595,113.48
Historic Preservation Tax Credit Program	\$97,448,093.58
State Tax Increment Financing**	\$30,500,450.71
Missouri Downtown Economic Stimulus Act**	\$691,821.82
Downtown Revitalization Preservation Program **	\$-
TOTAL REDEVELOPMENT	\$134,235,479.59
TRAINING AND EDUCATION	
Missouri Works New Jobs Training Program**	\$5,750,000.00
Missouri Works Retained Jobs Training Program **	\$10,234,500.00
Missouri Works Customized Training Program**	\$5,554,299.00
TOTAL TRAINING AND EDUCATION	\$21,538,799.00

BUSINESS RECRUITMENT

Business Facility Tax Credit Program	\$16,291,599.00
Enhanced Enterprise Zone Tax Benefit Program	\$1,433,167.00
Enterprise Zone	\$-
Development Tax Credit	\$-
Rebuilding Communities	\$-
Film Production	\$-
Manufacturing Jobs** Withholdings	\$4,795,687.72
Missouri Quality Jobs - Tax Credits	\$13,708,326.96
Missouri Works - Tax Credits	\$154,729,607.73

TOTAL BUSINESS RECRUITMENT \$190,958,388.41

Community Development	
Neighborhood Assistance Tax Credit Program	\$8,189,170.00
Family Development Account Tax Credit Program	\$-

TOTAL COMMUNITY DEVELOPMENT \$8,189,170.00**OTHER**

Amateur Sporting Contribution Tax Credit Program	\$25,000.00
Amateur Sporting Ticket Sales Tax Credit Program	\$896,317.12

TOTAL OTHER \$921,317.12**TOTAL--ALL DED STATE INCENTIVES \$361,696,101.83**

*Pursuant to Section 33.282 RSMo, credits were not approved for this program

DED INCENTIVES BY INDUSTRY*

January 1, 2021 to December 31, 2021

NAICS	Description	Amount
11	Agriculture, forestry, fishing and hunting	\$525,333.00
21	Mining	\$-
22	Utilities	\$-
23	Construction	\$4,584,528.32
31-33	Manufacturing	\$42,043,283.53
42	Wholesale Trade	\$14,314,395.93
44-45	Retail Trade	\$5,522,129.82
48-49	Transportation	\$1,867,299.43
51	Information	\$16,891,940.26
52	Finance and Insurance	\$46,680,107.40
53	Real Estate and rental and leasing	\$83,568,251.49
54	Professional and technical services	\$49,906,938.31
55	Management of companies and enterprises	\$15,846,158.27
56	Administrative and waste services	\$1,570,345.96
61	Educational services	\$354,905.00
62	Health care and social assistance	\$7,195,302.00
71	Arts, entertainment, and recreation	\$1,390,970.12
72	Accommodation and food services	\$3,447,168.08
81	Other services, except public administration	\$1,068,827.00
92	Public Administration	\$1,455,697.51
	Unclassified	\$231,650.00
GRAND TOTAL		\$298,465,231.43

*Industries are represented by standard "NAICS" codes (North American Industry Classification System).

Note: Benefits issued to individuals or community colleges are not considered in this section of the report.

DED INCENTIVES BY BUSINESS SIZE

January 1, 2021 to December 31, 2021

Business Size	Less than 100	100-500	>500
APPLICABLE PROGRAMS REPORTING:			
Amateur Sporting Contribution Tax Credit Program	\$25,000.00	\$-	\$-
Amateur Sporting Ticket Sales Tax Credit Program	\$896,317.12	\$-	\$-
Brownfield Remediation Tax Credit Program	\$5,595,113.48	\$-	\$-
Business Facility Tax Credit Program	\$-	\$16,291,599.00	\$-
Small Business Incubator Tax Credit Program	\$-	\$-	\$-
Enhanced Enterprise Zone Tax Benefit Program	\$874,306.00	\$-	\$558,861.00
Family Development Account Tax Credit Program	\$-	\$-	\$-
Historic Preservation	\$90,975,177.04	\$-	\$-
Missouri Manufacturing Jobs - Withholdings	\$-	\$-	\$4,795,687.72
Missouri Quality Jobs - Tax Credits	\$1,103,179.48	\$7,142,955.03	\$5,462,192.45
Missouri Works - Tax Credits	\$22,252,463.65	\$78,317,006.68	\$54,160,137.40
Neighborhood Assistance Tax Credit Program	\$6,802,990.00	\$23,000.00	\$1,363,180.00
Neighborhood Preservation Act Tax Credit Program (Developers Only)	\$2,809,307.41	\$-	\$-
Wine and Grape	\$-	\$-	\$-
Youth Opportunities Program Tax Credit Program	\$1,630,693.00	\$-	\$247,997.00
TOTALS	\$132,964,547.18	\$101,774,560.71	\$66,588,055.57

Note: Benefits issued to individuals, community colleges or units of government are not considered in this section of the report.

JOBS REPORTING FOR ACCOUNTABILITY ACT

July 1, 2020 - June 30, 2021

Section 135.805.1. RSMo requires the reporting of “actual number of jobs created as a result of the tax credits, at the location on the last day of the annual reporting period...” Reported below are the created jobs as self-reported by the companies to Department of Revenue through Accountability Reports due June 30, 2021.

Program	Jobs as Reported to Department of Revenue		Jobs as Confirmed with Companies by DED	
	Full Time Jobs Reported	Part time Jobs Reported	Full Time Jobs Reported	Part time Jobs Reported
Amateur Sporting Contribution	-	-	-	-
Amateur Sporting Ticket Sales	-	-	-	-
Brownfield Demolition	-	-	-	-
Brownfield Jobs and Investment	-	-	-	-
Brownfield Remediation	17	19	6	19
Business Facility	5	-	5	-
Business Incubator	103	96	42	1
Capital SBIC	-	-	-	-
Certified Capital Companies	-	-	-	-
Community Bank	-	-	-	-
Development Tax Credit*	-	-	-	-
Distressed Areas Land Assemblage	-	-	-	-
Dry Fire Hydrant	-	-	-	-
Enhanced Enterprise Zone*	1,515	381	504	370
Enterprise Zone*	-	-	-	-
Family Development Account	-	-	-	-
Film Production	-	-	-	-
Historic Preservation (Developers Only)	3,315	519	448	239
Loan Guarantee Fee	-	-	-	-
Missouri Quality Jobs	1,281	94	1,281	94
Missouri Works	4,790	-	4,790	-

Neighborhood Assistance	201	1,210	128	249
Neighborhood Preservation (Developers Only)	130	73	20	18
New Enterprise Creation	-	-	-	-
Rebuilding Communities	-	-	-	-
Research	-	-	-	-
Seed Capital	-	-	-	-
Transportation Development	-	-	-	-
Wine and Grape (Businesses Only)	3	9	3	9
Totals	11,360	2,401	7,227	999

Jobs Reporting for Accountability Act Notes

The following are notes regarding the previous table.

Note 1: The jobs represent the number of jobs created during the period after the issuance of tax credits, which may not necessarily reflect the total projected jobs for the project. The benefits in many cases are issued over several years and companies report jobs each year upon receiving the benefits. These job numbers do not include any jobs created as a result of retained withholdings.

Note 2: In reviewing the data submitted to the Department of Revenue by companies through the Accountability Report, the Department of Economic Development identified a possible issue with the data. It appeared that a few companies had reported cumulative numbers by month. When running the reports the numbers came out excessively high. DED called the companies, as well used other reports from the companies that had been previously verified to get more accurate data to report.

CY 2021 LEGAL ACTIONS

Applicant	Program	Issue	Action
Data Systems International, Inc.	Missouri Works (per §§ 620.2000–.2020 RSMo)	withholding taxes recovery following company's failure to submit timely reports (\$148,601 plus interest and penalties)	referred to the Attorney General's Office for collection; representation declined
Top Master Acquisition, LLC	Missouri Works (per §§ 620.2000–.2020 RSMo)	chapter 7 bankruptcy for Clio Holdings, LLC, et al.; withholding taxes recovery following company's failure to submit timely reports (\$148,500 plus interest and penalties)	referred case to Attorney General's Office in January 2021; worked with AGO and Department of Revenue (DOR) for DOR to file amended proof of claim in April 2021 including amounts owed for non-compliance with Missouri Works